

# WASHINGTON STATE DEPARTMENT OF LICENSING

## 2003-05 STRATEGIC PLAN

The Department of Licensing's Strategic Plan serves as a foundation to continue the direction the agency has adopted to meet challenges, embrace change and maximize opportunities. The DOL executive management team met in Spring 2002 to review its mission, vision, and strategic themes, as well as create the agency's Balanced Scorecard and operating plans to guide each business division in the development of the 2003-05 budget proposals.

### FOREWORD

This plan and the divisional strategic plans also reflect the work of many department employees who helped gather facts and data, and who contribute innovative ideas and insight into how we can continue to move forward in an efficient and effective manner that supports the agency's mission.

This strategic plan includes the agency vision, mission, cultural attributes, and themes. It also includes a description of the agency, environmental conditions that affect the agency's ability to meet challenges and capitalize on opportunities, a brief description of major partners and opportunities, and our Internal Resource Assessment. We also include the agency's Balanced Scorecard.

The strategic plan is tightly linked with our budget proposal. While it presents general information at the beginning, it is also organized to present each division separately. This allows us to tell a story about how each division is organized, the context in which it operates, the opportunities and risks it faces and how the division will seek to accomplish the agency's goals. We believe this approach helps to broaden understanding and awareness about the agency's diverse divisions, and the strong links between decision packages and agency initiatives.

### **DOL Strategic Planning Process**

The Department of Licensing has adopted the Governor's request to use Balanced Scorecards in its planning process. Balanced Scorecards were developed at the agency level, for each of our operating divisions, and for many work units within each of the divisions. These plans define success by identifying what is important for each of the areas to accomplish.

Goals and strategies were developed for each of the Balanced Scorecard perspectives, with accompanying measures, targets, resources, timelines and accountable leads. Balanced Scorecards are posted on the agency's Intranet, and are reviewed on a quarterly basis.

# VISION

We will be surprisingly innovative, setting new standards of excellence in customer service, consumer protection, and public safety.

# MISSION

We are an agency that protects the public safety and welfare in all areas we license and regulate, and ensures the fair, timely and efficient collection of state revenue.

# CULTURAL ATTRIBUTES

- Digital flagship of state government
- Committed to customer service and public protection
- Empowered employees
- Ethical public service
- Leadership to meet the opportunities of the future
- A diverse work force

# GOALS

- Enhance public safety
- Strengthen customer service
- Increase efficiencies in our operations
- Increase the capability of our employees

The Department of Licensing touches more Washington citizens than any other Washington state agency, with more than six million separate contacts a year. The department is responsible for licensing 4.3 million drivers, 6 million vehicles, 260,000 vessels, and 29 professions and 210,000 professional licensees, and issues 200,000 business licenses each year. It collects more than \$3 billion in transportation and other revenues each biennium, and is a critical resource for law enforcement.

The department has 1,255 employees. It serves customers across the state through 68 driver licensing offices, 186 vehicle licensing offices (the majority of which are staffed by our county auditor and private business partners), and more than 45 business licensing counters at our Master Licensing Service partner offices, and through the Internet for a wide array of transactions.

Our customers and stakeholders are diverse. They include drivers, vehicle and boat owners, fuel transporters, the trucking industry, financial institutions, auto dealers and manufacturers, and the businesses and professions we regulate. They also include law enforcement, courts and other criminal justice organizations, county auditors and private businesses, employers, professional associations, insurance companies, schools and higher education, Canadian governmental entities, other state agencies, tribes, boards and commissions, other states, research organizations, the media, legislators, employees, and the general public.

The agency has five main business divisions: Vehicle Services, Driver Services, Business & Professions, Information Services, and Management & Support Services.

### **Vehicle Services**

The Vehicle Services division affects almost every adult citizen in the state through its titling and registering of vehicles and vessels, and the collection of associated fees and taxes. The division also administers a major statewide fuel tax collection program which collects approximately \$1.6 billion in fuel taxes per biennium; administers two international compacts; promulgates State-Tribal Fuel Tax Agreements regarding the imposition, collection, and use of the state fuel

## **ORGANIZATION DESCRIPTION**

### **DOL'S WORK INCLUDES:**

- Test and certify skills
- Certify identities
- License credentials
- Provide ownership documents
- Collect revenue
- Collect information
- Maintain records
- Answer questions
- Inform and educate the public and stakeholders
- Regulate access to information
- Investigate complaints
- Audit and inspect regulated businesses
- Provide due process for disciplinary actions
- Discipline licensees
- Partner with other agencies or entities
- Support other agencies' missions

## **DIVISION DESCRIPTIONS**

tax on Tribal reservations; collects and distributes specific taxes for local, state, and foreign jurisdictions; and maintains personal records associated with vehicle and vessel ownership. This division also regulates the vehicle dealer industry in the state, from the manufacturer to the wrecking yard.

In May 2001, DOL began offering citizens an online service to renew car tabs over the Internet using a credit card for payment. More than 296,000 citizens have used the web to renew their car tabs, and the number of transactions continues to grow every month. In April 2002 the agency added online boat registration renewals using credit card payment. More than 15,000 boat owners have taken advantage of this service.

### **Driver Services**

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I am amazed at the scope of the Department's mission. (After taking this survey) it is clear to me that I have an inadequate basis of information for understanding what you do and the services offered.

— Customer  
responding to DOL's  
2001 statewide citizen  
survey.

The most personal of DOL's divisions, Driver Services is responsible for administering the laws relating to driver licensing, driver education, driver improvement, and driver records, including the Commercial Driver License program related to commercial truck and bus drivers. In addition, the Legislature has charged DOL with issuing identification documents; supporting the organ donor program; registering voters (through the federally mandated “motor voter” program); licensing commercial driver training schools and instructors; creation of jury source lists; and collecting social security numbers in support of child support enforcement.

This division's primary customer base is the state's 4.3 million licensed drivers and 394,000 identification card holders. Driver Services also provides services and information to courts, law enforcement agencies, local and state agencies, agencies of other states, the federal government, and private business.

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Driver Services has dramatically increased the level of customer service provided at its 68 offices around the state. Customer service booths and an automated lobby management system have helped reduce the time people wait in line and better prepare them to do business with the department. Wait times have dropped from hours in some offices to an average of 20 minutes and customer satisfaction has increased. Other initiatives in the past few years have helped make services more convenient, timely and accessible to customers.

### **Business & Professions**

The Business & Professions division is a unique mix of customer service and consumer protection. The division protects Washington citizens through regulation of businesses and professions, while providing leading edge customer service through one-stop business licensing and an array of online transactions. The division is comprised of 29 different licensing, regulatory and record-keeping subprograms. In addition, the Master License Service issues licenses, permits and registrations administered by 10 different state agencies, and offers the first multi-agency online business licensing service in the United States. The Uniform Commercial Code (UCC) program acts as a central repository of liens on personal property and conducts certified searches of its

records upon request. UCC filing and search transactions are also available over the Internet and received an award in 2002 from the International Association of Commercial Administrators for the “Best Overall Web Site” for UCC and Corporations.

### **Information Services**

The Information Services division manages computer hardware, software, network technology, and business application software in support of the Department’s business functions. This division is responsible for developing the successful web applications that allow customers to do business with the Department using the Internet. Information Services employees maintain and enhance mission-critical statewide office applications that support driver license transactions, as well as vehicle and boat title and registration transactions. Staff also plan, develop, implement and maintain the agency technology infrastructure; ensure systems and data security; train Department staff on computer hardware and software; provide software and hardware support and repair; handle telecommunications and computer infrastructure needs; and purchase all Information Technology-related products and services.

Information Services staff use a “best practices” approach, including consistent use of a formalized Project Management Methodology, Capability Maturity Model (CMM) for continued software development maturity, software development policies and standards, and periodic Quality Assurance reviews of project efforts. Regularly scheduled project security, architecture, risk and audit reviews provide a proactive means of information sharing and issues resolution throughout the lives of projects. Reviews of this nature create expectations about enterprise-wide infrastructure directions and standards. Continued use of these essential business strategies will ensure the success of IS efforts.

### **Management & Support Services**

Management & Support Services serves all agency divisions by providing operational support in areas such as facilities management; payroll; revenue and accounting; mail services; human resources; general equipment and supply; budget; communications and legislative relations; and internal audit and review. The agency Director and Deputy Director are included in Management & Support Services division, and provide overall guidance and direction to the Department, including guiding the organizational vision, agency organization, and operations review.

## **NATIONAL ISSUES, PRESSURES AND OPPORTUNITIES**

### **Identity Theft and Fraud**

Identity theft may be the nation’s fastest growing crime. Every day, citizens are faced with the challenge of trying to reclaim their identity or restore their good credit as a result of identity theft or fraud. And while a February report by the U.S. General Accounting Office says “there are no comprehensive statistics on the prevalence of identity theft or fraud,” the Federal Trade Commission ranked Washington state ninth in the nation for victim-reported identity theft (based on ID theft complaints received per

**ENVIRONMENTAL  
CONDITIONS AND  
TRENDS**

100,000 population in 2001). Licensing entities play an important role in helping protect personal information and prevent identity theft, which is why the Department of Licensing has been strengthening its fraud unit and is requesting additional funding and support in this budget cycle. On a national level, states are being asked to help pilot a National Motor Vehicle Title Information

System (NMVTIS) to check Vehicle Information Numbers (VIN) against a national database to help prevent fraud, auto theft and titling errors. Using NMVTIS, states are able to verify vehicle and title information, obtain information on all brands ever applied to a vehicle (showing a previous condition or use of the vehicle), and learn if the vehicle has been reported stolen. This type of cross-state interaction also benefits the consumer, as participating states are able to track a vehicle's history from the manufacture date to destruction date, and creates access to information such as recent odometer readings, ownership, and current or former brands – all of which relate to the expected value and condition of a vehicle. Washington State is eligible to participate in NMVTIS through a matching grant program, and is requesting funding this biennium.

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The American public wants a more secure driver's license. With 87% of adult drivers using their driver's license for purposes other than driving, DMVs throughout the U.S. have a responsibility and obligation to deliver a more secure license and ID credential.

– Linda Lewis,  
president and CEO of  
the American  
Association of Motor  
Vehicle Administrators

### Post 9/11 World

Immediately following the tragic events of September 11<sup>th</sup>, national attention focused on proving an individual's identity and making sure people were obtaining personal or commercial driver licenses legally. Driver licensing offices across the country became the target of media attention, and the purpose of a driver license shifted dramatically from indicating driving skills or knowledge to proving an individual's identity. A national identification card is a regular topic of discussion, and using biometrics as part of proving identity has gained in popularity.\*

Changes are being mandated on a federal level (Patriot Act of 2002) and will continue to be pushed on a national level and among other states to “verify” identities. Both the public and businesses will want the verification to be fast and not something that slows commerce or makes their wait longer at an office. There are suggestions to connect all states to national databases for the Social Security Administration and INS, and national efforts to tie driver licenses to legal presence or visa expirations. During the 2002 legislative session 18 states proposed legislation that tied legal presence to the driver's license expiration date, and seven enacted legislation on the issue. At this time, Washington State does not require legal presence in the country to get a driver's license. However, the agency is proposing legislation and a corresponding budget package to link the expiration date for the license or ID card to legal presence in the country.

### Aging Population and Senior Drivers

The statistics are staggering. Every day, 12,000 people turn 55 years old in the United States. In the next 30 years, there will be 70 million retirees — more grandparents than grandchildren. And statistics show that seniors tend to have more driving related accidents per mile driven

\* DOL Statewide Citizen Survey 2001



than all other age groups, with the exception of young drivers.

With no income tax, Washington State is an attractive place to retire. A recent Rand study indicated that by the end of 2020, 80 percent of all seniors will live in 10 states — and Washington is one of those states. The Department of Licensing has recognized the significance of these statistics, and is establishing a Senior Driver Task Force to develop programs to meet the special needs of senior drivers.

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Extending MLS to local governments and to more state agencies is the next step we must take to improve the quality of our services to small businesses.

– Gov. Gary Locke,  
Directive No. 02-02

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## STATE ISSUES AND PRESSURES

### Budget Challenges

The economic downturn, loss of critical revenues (e.g., MVET), citizen initiatives and legal requirements that place constraints on the budget, along with other factors have made balancing the budget and funding necessary programs extremely difficult. In 2002, the Governor and Legislature grappled with a \$1.8 billion deficit, and is estimating a \$1.7 billion deficit in the next biennium. The state's chief economist has said the state economic recovery is lagging about seven to eight months behind other states. Budget surpluses aren't expected over the next few years, making it nearly impossible to fund large projects that span several budget cycles or to take on new projects. The agency has taken into account this budget environment as it developed performance level requests. Our decision packages focus on those initiatives that increase customer service and public safety, can be accomplished in the near-term, and are a good investment now when compared to future costs or risks associated with not moving forward at this time.

### Efficiencies and Productivity

The Department of Licensing, like all other state agencies, is facing external pressure to reduce staffing levels while at the same time managing increasing workloads and responsibilities with fewer resources. To meet these demands, our agency will continue to seek efficiencies in programs and activities, and to use technology, partnerships, and common-sense solutions to make doing business with DOL faster and more convenient. Many of DOL's decision packages reflect this strategic direction, including Unisys migration, imaging, additional FTEs for specialized work units and projects, and making more services available over the Internet.

Also, the agency is moving forward with the Governor's Directive 02-02, has met with cities this summer and worked with DIS to develop a proposal to extend the Master License Service to local governments. A decision package supporting this effort is included in our 2003-05 budget request.

In addition, efforts such as the Governor's "Governing for a New Millennium" task force encourage state agencies to look for opportunities to work together on similar processes or functions, and to create a more streamlined approach to state government. DOL will continue to discuss partnership possibilities with other state agencies.

## **Transportation Initiatives**

Transportation funding also continues to be a budget challenge. If Referendum 51 doesn't pass in November, more pressure will be placed on DOL's dedicated transportation revenue sources to make funding available for highway projects. Revenue sources are increasingly limited, while pressure to do more continues to grow, making this a difficult environment to take on expensive, albeit necessary, new projects that enhance customer service and public protection.

In addition, recent discussions to create regional transportation authorities in the greater Puget Sound regions place the Department of Licensing in the role of "tax collector/funds distributor" for multiple entities. Changes to vehicle licensing fees as a result of regional transportation efforts will require the agency to help inform and educate the public, as well as negotiate multiple agreements with the taxing authorities.

## **Higher Phone Call Volume**

Population growth and more complex state driving laws have increased both the number and duration of phone calls coming into DOL. While improvements at DOL have made a difference, data shows that thousands of calls to DOL each day result in a busy signal. Surveys show the majority of citizens still like to pick up the phone and speak to a "real person." They are frustrated by busy signals, when they are put on hold for a long time, particularly if the call is long distance, or when they can't get an answer quickly. Strengthening customer service phone support is critical for agencies that want to be more responsive to customer concerns.

Agencies must identify ways to make better use of existing but underused resources, and to make clear and concise information available on the web and through other informational sources. As the agency adds more online services, it becomes critical that the services are prominently showcased on the web for quick accessibility. It is also important to ensure that answers to the public's most frequently asked questions are available on the agency web site and informational materials, are clearly written, easy to find, and attractively displayed. DOL is aggressively pursuing strategies to respond to customer phone calls, including a request for three additional FTEs to help "answer the phone," call volume management, and strengthening the quality and quantity of information on the Web site.

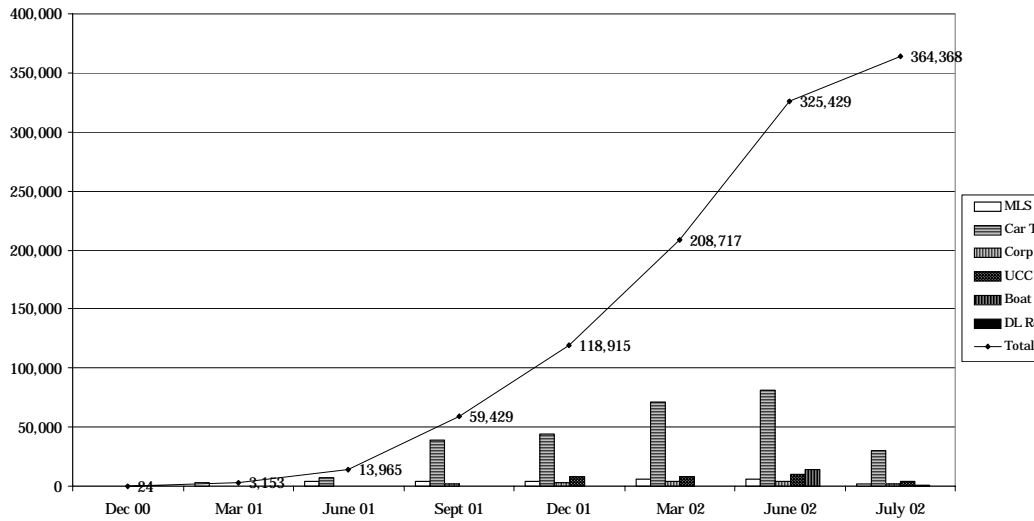
## **Demand for Regulation of Phone Solicitation**

The scenario is familiar, and one almost everyone can relate to. Maybe it's a family gathering for dinner that is interrupted several times by the phone and a salesperson. Or perhaps a person rushes inside from working in the yard to answer the phone, only to be greeted by a pause before a telemarketer begins a sales pitch. And there is the mechanical voice of an automated sales call that further infuriates consumers. Whatever the approach, citizens are tired of being bothered by what they feel are unnecessary and unwanted phone calls.

While unsuccessful, "do not call list" legislation and other efforts designed to limit telephone solicitation have been discussed during the past two legislative sessions, with the Department of Licensing serving as the regulating agency. Since public concern about telephone solicitors hasn't decreased, and DOL already registers commercial telephone solicitors through its Master License Service, the agency will continue to work with the Governor's Office, legislative staff, and other stakeholders to pursue legislation to address this issue.



## Internet Transactions



Line represents total number of transactions since Internet services became available on December 29, 2002.  
 Bars represent transactions in each quarter except for the last entry, July 02, which represents July 1-31, 2002.

## TECHNOLOGY

### Demand for Online Service

Washington citizens are technologically knowledgeable, with 60 percent saying they have purchased goods or services over the Internet in the past year.\* Our citizens want government to deliver the same level of service they receive from the private sector, with multiple delivery options including the Internet. These expectations, coupled with a limited budget and rapid changes in the technological environment, create a challenge for the agency as it compares the costs and benefits of providing services online.

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This was WAY too easy to be a government application! Great job on the simplicity and design of the site!

– Customer comment regarding the online Master Business Application

### Demand for Information

The agency serves as an information resource to law enforcement, the courts, other state agencies, insurance companies and other private sector businesses. The agency is faced with the growing demand for more and better information, and the ability to access information quickly and comprehensively.

Much of DOL's information is automatically and electronically passed to internal and external users, including its driver and vehicle licensing offices. Existing network bandwidth hampers the efficient flow of information and documents from field offices throughout the state to the DOL server and mainframe systems. It also slows the processing time for title and registration and driver licensing transactions.

\* DOL Statewide Citizen Survey 2001

As technologies that reduce paper and enhance efficiencies, such as imaging, are deployed in field offices and with business partners, the need for sufficient bandwidth increases exponentially.

The demand for information also creates a need to manage the information in terms of security and systems integrity, as well as dealing with privacy and legal considerations associated with information transmitted via the Internet or Intranet. The Department of Information Services estimates that state government computers are attacked three million times a day. It is imperative that state agencies make security an ongoing process of anticipating potential threats, and continuously improve computer security to prevent harm to the public caused by computer crime.

### **Antiquated Legacy Systems**

DOL's Unisys legacy-based mainframe system is more than 30 years old, making it time-consuming and costly to implement mandated legislative changes and business enhancements. Further, the Unisys system constrains our ability to move forward with our digital government vision, and increases development time and cost to all new digital government projects. For example, we estimate it cost an additional 25 percent (\$600,000 and three months duration) to develop the online vehicle tab project due to the complex interface with the Unisys mainframe platform.

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The Department of Licensing could be at significant risk if it operates the OS 2200 (Unisys) beyond June 2005.

— Gartner, Inc. report to DOL, Sept. 2002

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### **Disaster Recovery Plans**

The Nisqually Earthquake and 9/11 drive home that having an adequate disaster recovery infrastructure and facility to support mission-critical functions in the event of a disaster is necessary and prudent. DOL's strategic initiative is to establish a disaster recovery site and infrastructure as part of the planning and development that will occur as the agency migrates from the aging legacy systems (Unisys 2200 and HP 3000) to a server-based technology architecture.

### **Changing Technology Environment**

Digital government initiatives and the public's acceptance of the Internet have fundamentally changed the way DOL delivers services to our customers. The large volumes of web transactions and number of web-based services have generated the need for a 24/7 operational server environment. At the same time, server technology continues to improve rapidly, with new versions that offer higher speed and greater capacity released on an average every 18 months.

The risk of server failure increases dramatically in the third to fourth years of their life cycle after purchase and installation. Budget challenges have made it difficult to maintain predictable, appropriate equipment replacement cycles. The Office of Financial Management addressed this problem common to state agencies. In its 2003-05 budget instructions, OFM suggested a server replacement cycle of two to six years as part of an agency's ongoing cost of doing business.

As with servers and other technology changes, imaging software and the retrieval of images continues to evolve at a rapid pace. Businesses and other customers that began using imaging

technology four years ago are finding that many of the systems that were built using older technology are no longer supported and/or are much less efficient than current technology. The agency is also moving to a standard imaging technology infrastructure that will share hardware and software components, creating efficiencies in development and ongoing software costs.

Specifically with DOL's imaging products, annual maintenance costs have doubled, while new features or functionality are not being added or offered, and the level of software technical support has declined. In addition, juke box technology associated with the imaging software is no longer more cost effective than the large disk systems for storing data, is expensive to replace, and requires special environmental conditions and more storage space than other options. The Department of Licensing recognizes the importance of imaging and the role it plays in efficiently processing the more than 13 million pages of documents the agency receives and distributes each year.

DOL is responding to these technology challenges with several budget packages designed to further increase customer convenience through additional online services, enhance computer system security, and increased reliability and efficiency of our systems and operations. Essential to unleashing the productivity improvements possible through new technology is the agency's request to move off our legacy Unisys system (circa 1960s data formats) to a current server-based application environment.

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Very nice! I wish all of my interactions with government agencies would be as smooth and efficient as this! Well done.

Great site! Washington is making business with the state easier.

As more and more state services and information become accessible over the Internet, I find myself complaining less and less about taxes. Keep up the good work!

— Actual DOL Internet service user comments

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## PUBLIC PERCEPTIONS OF STATE GOVERNMENT

Traditionally, the public has perceived state government as slow, unresponsive, technology-challenged, and complex. Citizens are often confused by the various levels of government and the regulations each level imposes on their personal and business lives. They want government to be efficient and to respond to their needs in a timely and convenient manner. Washington citizens have indicated they want to do business with DOL using the Internet, service counters, the phone and mail.\* At times they would like to do business with just one level of government, such as business licensing, and have the information distributed among the layers rather than filling out multiple forms that often require the same information. Many citizens believe they pay government too much in fees and taxes, and the success of recent citizen initiatives continues to demonstrate the public's dissatisfaction with “government.”

Public comments, the response to a statewide citizen survey, and anecdotes indicate the public's perception of DOL may be changing. We believe this is in part due to the wide array of services offered over the Internet and improvements at driver licensing office, such as lower wait times, customer service booths and automated written testing.

\* DOL Statewide Citizen Survey

However, the public continues to demand better, more accessible and faster service – at less cost whenever possible. It wants conveniently located offices that have adequate parking, comply with ADA requirements, have pleasant interiors, and offer enough space to conduct safe drive testing. The public doesn't care whether our offices are built or leased – just that they are operated efficiently and with an eye to the best use of taxpayer dollars. It's up to the agency to conduct thorough cost/benefit analyses of new facilities and identify the best options to providing service.

## “CAN DO” AGENCY

Recent successes with significant agency projects have helped boost employee morale and created an environment of confidence.

During the past biennium, the Department of Licensing successfully:

- Began issuing a more secure driver license with a digital photo;
- Implemented a licensing program designed to increase teen drivers' safety;
- Upgraded the automated written drive testing system and added customer service booths to many driver licensing offices;
- Made six services available using the Internet and a credit card;
- Passed legislation that created a uniform set of disciplinary tools for agency-regulated professions;
- Launched a lobby management system which has helped dramatically decrease wait times in driver licensing offices; and
- Collected an additional \$427,820 in revenue through the fuel tax evasion unit.

As a result of these successes, and many more like them, agency employees are enthusiastic about tackling new projects that create a higher level of customer service or public safety, and are more willing to take calculated risks and to try innovative problem-solving approaches.

For instance, agency IT employees asked for the opportunity to bid on the agency's Internet service projects. Their successful bid was \$1.5 million less than the closest private sector bid and they were able to offer three online services instead of the two considered in the RFP. By doing the projects in-house and using contractors for support and to backfill employee positions, employees were able to demonstrate their capabilities and increase their knowledge and skills. This experience and expertise continues to be used on other Internet service projects, which cost substantially less and are completed at a faster rate. Most recently, DOL was able to add online boat registration renewals using existing staff at no additional cost and half the time of the original project, saving taxpayers an estimated \$1 million in development and staffing costs.

## RISK MANAGEMENT

An unprecedented increase in damages from tort lawsuits against the state compels all agencies to find ways to protect taxpayer resources by reducing the number of costly lawsuits. Agencies must place a higher priority on loss prevention, by taking steps to reduce the circumstances that lead to suits and expensive tort awards. Agencies also must allocate resources to services that pose the greatest risk for liability, manage all aspects of employee performance, prioritize staff training to address risk management, and involve the community in reducing risk.

The agency has requested a reengineering of our Driver Responsibility Unit to find ways of reducing errors in entry and retrieval of needed documents that have resulted in an increase in claims against the agency. In addition, DOL is seeking to expand its Driver History Initiative Project from the successful court pilot project in Seattle to the Office of Administrator for the Courts (OAC). That effort would reduce errors, increase timeliness of driver record updates and reduce the state's exposure to lawsuits.

## PARTNERS

Department of Licensing's major partners include the Washington State Patrol, Washington courts, law enforcement at all levels across the state, county auditors and private business owners, the Secretary of State and Attorney General's office, the departments of Revenue and Transportation, and many other state agencies. The agency also takes into consideration its major stakeholder groups, including industry trade associations, licensees, businesses that access DOL's information for authorized use, and end-users of our products and services.

## MAJOR PARTNERS AND PARTNERSHIP OPPORTUNITIES

## PARTNERSHIP OPPORTUNITIES

### One-stop Licensing

The success of the Master Business License Application, which allows businesses to use one form to register for most of their business licensing requirements, creates additional opportunities to partner with other state agencies and local governments.

The Governor's Directive 02-02 directs the Department of Licensing to extend the "single face of government" concept to local governments, and allow businesses to register for a city or county license at the same time they register with the state. Seventeen cities participated in focus groups during the summer, two of which are existing partners, and at least five of those are expected to participate in more in-depth work sessions in order to begin partnering with DOL's Master License Service.

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The Department of Justice estimates there are 500,000 to 700,000 identity theft victims a year.

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### Fraud Detection

To address the rise in identification fraud and identity theft, the Department of Licensing created the Drivers Special Investigations Unit in April 2002. The unit's mission is to reduce internal and external fraud that result in economic losses to identity theft victims, businesses, and government. It has five staff at this time. This budget request includes funding for DOL to contract with the Washington State Patrol for two detectives to better focus on identity fraud, commercial driver license fraud, and employee fraud.

## INTERNAL RESOURCE ASSESSMENT

## WORKFORCE ISSUES

### Retirements

About 30 percent of the agency's work force is eligible for retirement by 2005. With higher health care premiums, pay freezes, and potential layoffs, employees who are eligible but had been considering delaying retirement may be more inclined

to leave than stay with the state. On the other hand, the soft economy and plunging stock prices may make those who are eligible to retire think twice about leaving state service at this time.

In addition, the risk of a repeat of this year's hiring freeze would make it difficult to fill vacancies caused by retirements. Large-scale retirements often result in a significant loss of institutional knowledge and require a time investment to train new hires. Of particular concern is that 35 percent of WMS managers and 33 percent of Information Services division employees will be eligible to retire by 2005.

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Nearly one-third of the Department of Licensing's 1,255 employees is eligible for retirement by 2005.

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### Skills and Knowledge Gaps

Keeping the momentum going and starting new Department of Licensing's initiatives requires solid project management experience. Contracting for project management, particularly for technology projects, is usually three to four times more expensive than hiring employees. However, the pressure is on in the government environment to reduce workforce levels, and it is difficult to receive legislative support to add FTEs. The agency has also identified the need for qualified data analysts to collect and analyze data that can be used in decision making.

As the agency uses more technology-oriented systems, appropriate testing is essential to making sure the new applications and software perform as required before they are available to the public and DOL business staff. However, this requires using individuals from the business units who are familiar with work processes and can test the systems to see how they would perform in the field or by customers. This in turn means these individuals are pulled from their regular duties, which can result in longer lines for customers, fewer staff manning service counters, delays for regular projects, or doubling the workload of those not involved in testing. The agency needs to have the flexibility to replace those involved with user testing with temporary FTEs or contractors whenever possible.

Ongoing, comprehensive training, particularly technology-related training, is a critical component of the agency's strategic plan and is reflected in various decision packages for the 2003-2005 Biennium. As the Department of Licensing transitions to newer technologies, our staff's skills and training must also keep pace. For many years DOL has been operating mainframe systems based on first generation languages such as COBOL and Pascal. Our staff will need to gain greater expertise in the use of servers, the Internet, and applications based on current programming languages, such as Visual Basic. Rapid changes to securing computer systems against cybercrimes requires extensive training of staff, as does the expertise associated with the use of imaging systems across the agency.

## **Recruitment**

The soft economy, coupled with large layoffs in the technology professions, is making recruiting qualified and skilled candidates into public service easier than in prior years. However, the uncertainties around hiring in state government, pressure to keep FTE counts low, salaries below market rates, and transportation challenges for commuters, means that state government is perceived less and less as a “secure” and attractive work environment. In addition, in some areas of the state, particularly the urban core, it is difficult to recruit and retain qualified candidates.

## **Impact of Civil Service Reform**

The passage of the Personnel System Reform Act of 2002 will result in the formation of new civil service rules and a new classification system. The simplification of civil service and compensation practices should help agencies attract and retain talented employees. Civil Service reform also brings with it collective bargaining and the option to contract work traditionally performed by state employees. These issues will have a high impact on human resource staff and agency managers as collective bargaining begins in this biennium. While there are still many unknowns regarding this legislation, it is clear that the way agencies have administered and supported programs will dramatically change over the next several years.



## DEPARTMENT OF LICENSING

September 23, 2002

